



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 28, 2009

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **CAREER PLANNING CENTER, INC. CONTRACT REVIEW – A  
COMMUNITY AND SENIOR SERVICES WORKFORCE INVESTMENT  
ACT PROGRAM PROVIDER – FISCAL YEAR 2008-09**

We completed a program, fiscal and administrative contract compliance review of Career Planning Center, Inc. (CPC or Agency), a division of Jewish Vocational Service and a Community and Senior Services (CSS) Workforce Investment Act (WIA) Program provider.

**Background**

CSS contracts with CPC, a private non-profit organization, to provide and operate the WIA Adult and Dislocated Worker Programs. The Programs assist individuals in obtaining employment, retaining their jobs and increasing their earnings. CPC's office serves participants residing in the Second, Third and Fourth Districts.

CPC is compensated on a cost reimbursement basis and has a contract for \$426,178 for Fiscal Year (FY) 2008-09.

**Purpose/Methodology**

The purpose of our review was to determine whether CPC complied with its contract terms and appropriately accounted for and spent WIA funds in providing the services outlined in their County contract. We interviewed Agency staff and evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

### **Results of Review**

Generally, CPC provided the program services to eligible participants and maintained sufficient internal controls over its business operations. However, CPC billed CSS \$3,510 in questioned costs and did not always comply with WIA and County contract requirements. Specifically, CPC:

- Billed CSS \$2,685 for training provided in the prior Fiscal Year.
- Billed CSS \$700 in unsupported expenditures. CPC did not maintain adequate documentation, such as invoices, cancelled checks, attendance records and/or certificates of completion, to support the expenditures.
- Billed CSS \$125 for supportive services expenditures provided to a non-WIA participant.
- Did not obtain criminal record clearances for all five employees sampled.
- Did not meet all the FY 2008-09 second quarter planned performance outcomes outlined in the County contract for the WIA Adult and Dislocated Worker Programs.
- Billed CSS payroll expenditures based on pre-determined amounts not actual hours worked.

Details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

We discussed our report with CPC and CSS on May 12, 2009. In their attached response, CPC concurred with our findings and agreed to repay CSS the \$3,510 in questioned costs.

We thank CPC for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer  
Cynthia D. Banks, Director, Department of Community and Senior Services  
Claudia Finkel, Chief Operating Officer, Career Planning Center, Inc.  
Sunny Caine, Board of Directors Chairperson, Career Planning Center, Inc.  
Public Information Office  
Audit Committee

**WORKFORCE INVESTMENT ACT PROGRAM  
CAREER PLANNING CENTER, INC.  
FISCAL YEAR 2008-09**

**ELIGIBILITY**

**Objective**

Determine whether Career Planning Center, Inc. (CPC or Agency) provided services to individuals that meet the eligibility requirements of the Workforce Investment Act (WIA).

**Verification**

We reviewed the case files for 20 (56%) (ten adults and ten dislocated workers) of the 36 participants that received services from July 2008 through February 2009 for documentation to confirm their eligibility for WIA services.

**Results**

Generally, CPC maintained appropriate documentation to support the eligibility of the 20 participants sampled.

**Recommendation**

**None.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether CPC provided the services in accordance with the County contract and WIA guidelines. In addition, determine whether the participants received the billed services.

**Verification**

We reviewed the documentation contained in the case files for 20 (56%) participants that received services during July 2008 through February 2009.

**Results**

Generally, CPC provided the services in accordance with the County contract and WIA guidelines.

**Recommendation**

**None.**

## PERFORMANCE OUTCOMES

### Objective

Determine whether CPC met the planned performance outcomes as outlined in the County contract. The performance outcomes included measuring the number of participants that enrolled in the program, exited the program, completed training and/or gained employment.

### Verification

We compared their Fiscal Year (FY) 2008-09 actual performance outcomes for the second quarter to the planned performance outcomes outlined in the County contract.

### Results

CPC did not meet all the FY 2008-09 second quarter planned performance outcomes outlined in the County contract for both the WIA Adult and Dislocated Worker Programs. Specifically:

WIA PROGRAMS	Planned Enrollments	Actual Enrollments	% of Planned Enrollments	Planned Exits	Actual Exits	% of Planned Exits	Planned Training	Actual Training	% of Planned Training	Planned Placement	Actual Placement	% of Planned Placements
WIA Adult	29	21	72%	17	8	47%	1	0	0%	15	8	53%
WIA DISLOCATED WORKER	MET PLANNED PERFORMANCE OUTCOMES						1	0	0%	6	4	67%

### Recommendation

1. CPC management ensure that planned performance outcomes are met as required by the County contract.

## CASH/REVENUE

### Objective

Determine whether cash receipts and revenue are properly recorded in the Agency's records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash, petty cash and other liquid assets.

### Verification

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's bank activity for October, November and December 2008.

**Results**

CPC maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner.

**Recommendation**

None.

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records and reviewed documentation to support 37 non-payroll expenditure transactions billed by the Agency during July and December 2008, totaling \$20,674.

**Results**

Generally, CPC's expenditures were accurately billed and supported by documentation. However, CPC billed Community and Senior Services (CSS) for FY 2007-08 program expenditures in FY 2008-09. Although the amount is immaterial in this case, the Agency's practice of billing program expenditures to the wrong program year can result in a material finding as noted in the close-out section of this report. CPC management needs to bill program expenditures in the year that the expenditures were incurred as required by Part C, Section 1.2 of the Auditor-Controller Contract Accounting and Administration Handbook.

**Recommendation**

2. CPC management ensure that expenditures charged to the WIA programs are for costs incurred during the contract period.

**ADMINISTRATIVE CONTROLS/CONTRACT COMPLIANCE****Objective**

Determine whether the Agency maintained sufficient internal controls over its business operations. In addition, determine whether the Agency is in compliance with other program and administrative requirements.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

**Results**

CPC maintained sufficient internal controls over its business operations and complied with other program and administrative requirements. However, CPC did not report their quarterly expenditure accruals separately on their invoices as required by WIA Directive LACOD-WIAD08-19.

**Recommendation**

3. CPC management report their quarterly accrual figures separately on their invoices as required.

**FIXED ASSETS AND EQUIPMENT****Objective**

Determine whether CPC's fixed assets and equipment purchases made with WIA funds are used for the WIA programs and are safeguarded.

**Verification**

We interviewed Agency personnel and reviewed the Agency's fixed assets and equipment inventory listing. In addition, we performed an inventory and reviewed the usage of 14 items purchased with WIA funds, totaling \$17,857.

**Results**

CPC used the equipment purchased with WIA funds for the WIA programs and the assets were safeguarded.

**Recommendation**

None.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll expenditures were appropriately charged to the WIA programs. In addition, determine whether the Agency obtained criminal record

clearances, verified employability, and maintained current driver's licenses and proof of automobile insurances for the employees assigned to the WIA programs.

### **Verification**

We traced the payroll expenditures invoiced for 16 employees totaling \$15,357 for December 2008 to the Agency's payroll records and time reports. We also interviewed one employee and reviewed personnel files for five employees assigned to the WIA programs.

### **Results**

CPC did not bill CSS payroll expenditures based on actual hours worked as required by Part B, Section 3.1 of the Auditor-Controller Contract Accounting and Administration Handbook. According to CPC personnel, payroll expenditures were billed based on pre-determined amounts. The difference between the billed and actual payroll expenditures for the one month reviewed was immaterial. However, CPC management should ensure that payroll expenditures are billed based on actual hours worked as required.

In addition, CPC did not obtain criminal record clearances, including fingerprinting, as required by Part II, Section 27.4 of the County contract for all five employees sampled.

### **Recommendations**

#### **CPC management:**

- 4. Ensure that payroll expenditures are billed based on actual hours worked.**
- 5. Obtain criminal record clearances, including fingerprinting, for all employees.**

### **COST ALLOCATION PLAN**

#### **Objective**

Determine whether CPC's Cost Allocation Plan was prepared in compliance with the County contract and the Agency used the Plan to appropriately allocate shared program expenditures.

#### **Verification**

We reviewed the Cost Allocation Plan and a sample of expenditures incurred by the Agency during July and December 2008 to ensure that the expenditures were properly allocated to the Agency's programs.

**Results**

CPC's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

**Recommendation**

None.

**CLOSE-OUT REVIEW****Objective**

Determine whether the Agency's FY 2007-08 final close-out invoices for the WIA Adult and Dislocated Worker Programs reconciled to the Agency's financial accounting records.

**Verification**

We traced the Agency's FY 2007-08 general ledgers to the Agency's final close-out invoices for FY 2007-08. We also reviewed a sample of expenditures incurred in April, May and June 2008.

**Results**

CPC's final close-out invoices reconciled to the Agency's financial records. However, CPC billed CSS \$3,510 in questioned costs. Specifically, CPC billed CSS:

- \$2,685 in FY 2007-08 for training provided to two participants in FY 2008-09.
- \$700 in unsupported training expenditures. CPC did not maintain adequate documentation, such as invoices, cancelled checks, attendance records and/or certificates of completion, to support the expenditures.
- \$125 for supportive services expenditures provided to a non-WIA participant.

**Recommendations**

**CPC management:**

**Refer to Recommendation 2.**

- 6. Provide adequate documentation to support the expenditures or repay CSS \$3,510.**



7. Ensure that adequate documentation is maintained to support the program expenditures.
8. Bill CSS for program related expenditures.

TO: Wendy L. Watanabe,  
Auditor- Controller  
County of Los Angeles – CSS

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